MINISTRY OF JUSTICE AND ATTORNEY GENERAL

OFFICE OF RESIDENTIAL TENANCIES
DIRECTOR'S TRUST ACCOUNT

FINANCIAL STATEMENTS

For the Year Ended March 31, 2011

Provincial Auditor Saskatchewan

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SASKATCHEWAN

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Office of Residential Tenancies – Director's Trust Account, which comprise the statement of net assets as at March 31, 2011, and the statement of changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Office of Residential Tenancies – Director's Trust Account as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Bonnie Lysyk

Regina, Saskatchewan
July 20, 2011

Bonnie Lysyk, MBA, CA
Provincial Auditor

Statement 1

OFFICE OF RESIDENTIAL TENANCIES – DIRECTOR'S TRUST ACCOUNT
STATEMENT OF NET ASSETS
As at March 31

	2011	2010
ASSETS:		
Due from General Revenue Fund (Note 3)	$ 97,682	$ 42,351
LIABILITIES AND NET ASSETS:		
Current Liabilities		
Accounts payable (Note 3)	$ 23,750	$ 16,830
Net Assets (Note 2b)		
Trust account balance (Statement 2)	73,932	25,521
Total Liabilities and Net Assets	$ 97,682	$ 42,351

(See accompanying notes to the financial statements)

OFFICE OF RESIDENTIAL TENANCIES – DIRECTOR'S TRUST ACCOUNT
STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended March 31

	2011	2010
Trust funds acquired:		
Receipts from landlords or tenants	$ 575,901	$ 411,418
Trust funds expended:		
Payments to landlords or tenants	(257,370)	(215,108)
Fees transferred to Ministry of Justice and Attorney General (Note 3)	(270,120)	(190,935)
Increase in assets	48,411	5,375
Net assets, beginning of year	25,521	20,146
Net assets, end of year (Statement 1)	$ 73,932	$ 25,521

(See accompanying notes to the financial statements)

OFFICE OF RESIDENTIAL TENANCIES – DIRECTOR'S TRUST ACCOUNT
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2011

1. Legislative Authority

Pursuant to provisions of *The Residential Tenancies Act, 2006* (Act), the Director's Trust Account was established for the purpose of receiving and disbursing monies under the Act. The Office of Residential Tenancies – Director's Trust Account (Director's Trust Account) is responsible for the administration and management of all matters governed by this Act.

The financial statements reflect the assets and liabilities related to trusts under the administration of the Office of Residential Tenancies (Office).

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant.

a) Receipt and Payment of Trusts

Monies are held in trust on behalf of landlords and tenants where there is a dispute as to the disposition of the security deposit. Monies are paid out to either the landlord or tenant once the appropriate disposition of the funds has been determined by the Office.

b) Net Assets

Net assets are the total of the various trust monies held on behalf of landlords and tenants.

c) Cash Flow Statement

A cash flow statement has not been provided since cash flow information is readily apparent from the other financial statements.

d) Future Accounting Policy Change

For the fiscal year beginning April 1, 2011, the Director's Trust Account has selected the Public Sector Accounting Handbook as its accounting standards. The Director's Trust Account is currently assessing the potential impact of the change in accounting standards on its financial statements for the year ending March 31, 2012.

3. Related Party Transactions

In accordance with established government practice, the Director's Trust Account has not been charged with any administrative costs and no provision for such cost is reflected in these statements. These costs are borne by the Ministry of Justice and Attorney General from monies appropriated by the Legislature for such purposes.

Under Section 13(1) of The Residential Tenancies Regulations, 2007, complaint applications, except for those relating to security deposits, are subject to a fee of $50. This fee is collected by the Office and forwarded to the Ministry of Justice and Attorney General. In 2010-11, the fee collected amounted to $270,120 (2009-10 - $190,935). At March 31, 2011, the fee collected amount owed to the Ministry of Justice and Attorney General was $23,750 (2009-10 - $16,830).

The Director's Trust Account bank account, shown as Due from General Revenue Fund (GRF), is included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan. No interest is paid into this account by the GRF.

The Office's financial instruments consist of amounts Due from General Revenue Fund and accounts payable which have both been classified as held for trading. There are no significant terms and conditions related to the financial instruments that may affect the amount, timing and certainty of future cash flows. The carrying value of these instruments approximates fair value due to their immediate or short-term maturity.

4. Comparative Figures

Certain 2010-2011 amounts have been reclassified to conform to the current year's presentation.